

PRIME SECURITIES LIMITED

Regd. Office : Phoenix House, A Wing, 4th Floor, 462, Senapati Bapat Marg, Lower Parel, Mumbai 400013.

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2004



Amt. in Rs. Lacs

	Prime Securities Limited			Consolidated		
	Quarter ended 30.06.2004	Quarter ended 30.06.2003	Year ended 31.03.2004 (Audited)	Quarter ended 30.06.2004	Quarter ended 30.06.2003	Year ended 31.03.2004 (Audited)
Income from Operations	94	37	244	209	118	776
Other Income	1	3	55	2	3	82
Total Income	95	40	299	211	121	858
Staff Cost	31	16	69	65	32	145
Rent	3	3	11	10	10	38
Telephone, Postage and Courier	2	1	10	5	2	18
Share Issue Expenses	3	3	11	3	3	11
Other Expenditure	11	5	52	52	38	221
Total Expenditure	50	28	153	135	85	433
Gross Profit	45	12	146	76	36	425
Interest	-	1	2	1	1	4
Depreciation	3	3	13	34	35	137
Diminution in Portfolio	*	*	-	*	*	(1)
Provision for Non-Performing Assets & Stock-in-Trade	*	*	(3)	*	*	(3)
Other Provisions / Write-offs / (Write-backs)	(1)	(1)	(1)	(1)	(1)	(1)
Extraordinary Items	-	-	(84)	-	-	(43)
Profit before Tax	43	9	219	42	1	332
Provision for Tax	-	-	-	(11)	(2)	(18)
Deferred Tax Savings	1	1	4	1	1	(66)
Profit after Tax	44	10	223	32	-	248
Prior Period Adjustments	-	-	23	-	-	21
Profit after Adjustments	44	10	246	32	-	269
Paid-up Capital						
- Equity	2,344	2,341	2,344	2,344	2,341	2,344
- Preference	200	200	200	200	200	200
Reserves (excluding Revaluation Reserves)			7,577			7,577
Debit Balance in P & L Account			(8,348)			(8,891)
Earnings per Share (in Rs. not annualised)						
- Basic	0.19	0.04	0.95	0.14	-	1.06
- Diluted	0.17	0.04	0.87	0.13	-	0.97
Aggregate of Non-Promoter Shareholding						
- Number of Shares	2,21,45,296	2,28,86,196	2,23,62,696	2,21,45,296	2,28,86,196	2,23,62,696
- Percentage of Shareholding	94.64	94.80	94.69	94.64	94.80	94.69

* Provision/Diminution, if any, will be made at the year end

Notes :

1. The above Results were taken on record by the Board of Directors of the Company at its Meeting held on July 28, 2004.
2. The Unaudited Financial Results are subject to a Limited Review by the Statutory Auditors of the Company.
3. The Company does not have any identifiable segments as required by Accounting Standard 17 issued by ICAI.
4. Previous period figures have been re-grouped / re-classified wherever necessary.
5. The Company had received 14 investor complaints during the Quarter ended June 30, 2004 and all have been resolved and there were no investor complaints pending at the beginning of the Quarter.

Observations made by Auditors in the report for the year ended March 31, 2004 and Management Perception thereof :

1. Auditors' Observation: The company has not provided for interest of Rs 28.31 lacs on unsecured loan. Had this provision been made, the profit for the year would have been lower by Rs 28.31 lacs and the accumulated loss till date would have increased by Rs 56.89 lacs. Management Perception: The management is negotiating with the lender for settlement of its dues and is confident of getting concessions/waivers. In view of the above, no provision is made for interest amounting to Rs 28.31 lacs on the said borrowing.
2. Auditors' Observation: Inability to verify the diminution in value of investment of Rs 1047.65 lacs in unquoted equity shares in the absence of adequate information. Management Perception: The management is of the opinion that the diminution in value is other than temporary and hence provision has been made in the financial results.
3. Auditors' Observation: Inability to express an opinion regarding write-back of unsecured loans of Rs 242.34 lacs. Management Perception: Upon scrutiny and analysis of the said liabilities, the management is of the opinion that the same are no longer payable and hence written-back.

For Prime Securities Limited

Mumbai
July 28, 2004

Nikhil Shah
Whole-Time Director